UNDP

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Country and intercountry programmes and projects

COUNTRY PROGRAMME OF THE GOVERNMENT OF NEPAL

Note by the Administrator

Programme period	Illustrative IPF for 1977-81
July 1980-December 1985	$32.50 million
	Illustrative IPF for 1982-86
	$98.00 million

I. Nature of the programming exercise

1. In the light of General Assembly resolution 32/197, which called for the systematic co-ordination at the national level of the various assistance programmes carried out by Organizations and Agencies of the United Nations, the Government of Nepal decided to closely co-ordinate the planning of the third Country Programme with the formulation and implementation of the Sixth Five-Year Plan and, to the extent possible, utilize the country programming exercise as a means of co-ordinating the assistance provided by other United Nations Agencies and multilateral organizations.

2. As more fully described in the Country Programme document, the programming exercise was conducted under the chairmanship of the Ministry of Finance. The United Nations programming group, which was chaired by the UNDP Resident Representative, consisted of the Country Representatives of the Food and Agricultural Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO), representatives of the International Labour

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*/ This document will be derestricted upon approval of the Country Programme. See document DP/526 which will be issued in June 1981.

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Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Bank and the Asian Development Bank, the United Nations Industrial Development Organization (UNIDO), the Office of the Senior Industrial Development Field Adviser (SIDFA), the Co-ordinator of the United Nations Fund for Population Activities (UNFPA) and the adviser of the World Food Programme (WFP). One of the most important aspects of the exercise was that, at the sectoral meetings chaired by the Secretary of the Ministry concerned, project proposals brought forward by Agencies of both the Government and by the United Nations system were examined in terms of their relevance and linkage to the Sixth Five-Year Plan and to each other.

3. The first draft of the Country Programme was prepared on the basis of decisions reached at these meetings and further consultations between the Ministry of Finance, the Planning Commission, other ministries and UNDP. The Country Programme document was then finalized after further review by the Government and the UNDP field office, and in the light of comments received from UNDP Headquarters, Executing Agencies and the development banks.

4. The Administrator is of the opinion that the programming exercise was a most useful and encouraging joint initiative by a member Government and the United Nations system. Under this exercise, which was originally designated "joint programming of resources", but which can perhaps be more aptly described as "co-ordinated programming of resources", the resources of UNDP were programmed on a sectoral basis in the light of Government requirements under the Sixth Five-Year Plan and in the full knowledge of ongoing and anticipated assistance provided and to be provided by each United Nations Agency, the World Bank and the Asian Development Bank; the International Fund for Agricultural Development (IFAD) and also bilateral donors.

II. Assessment of the second Country Programme

5. Nepal was one of the countries selected to be visited by an interagency mission to review past country programming experience in consultation with Governments. The outcome of this review was embodied in document DP/454, which was submitted to the Governing Council at its twenty-seventh session in June 1980. The conclusions reached by the mission in consultation with the Government may be summarized as follows:

(a) As a result of the Government's changed approach to planning, which involves the specification of broadly conceived priorities and programmes as opposed to more project specific design, it was found desirable to keep the second Country Programme as flexible as possible to facilitate the inclusion of activities reflecting priorities determined at the annual reviews of the Development Plan;

(b) During the course of the second Country Programme there was a distinct increase in pre-investment and investment activities, and this has accelerated over the last two years of the programming cycle. The large pre-investment and investment support component in the Programme was the result of a deliberate policy decision by the Government and reflected the need to undertake such activities;

(c) With respect to the concept of self-reliance, the second Country Programme contained a substantial number of programmes and projects, including institution-building and training projects, aimed at enhancing national staff and management capabilities;

(d) The priorities set forth in the second Country Programme document were in accordance with the priorities laid down in the Fifth Five-Year Plan. However, because of the need to maintain the relevance of UNDP-financed activities to the evolving requirements of the Government, the projects formulated in the course of Programme implementation, particularly during its later years, were not always identical with those outlined in the original document; rather, they reflected decisions taken at the annual reviews of the Country Programme.

III. Resources taken into account for programming

6. The IPF for the second cycle, adjusted for over-expenditures in the first cycle, was $29.96 million. In addition, $5.5 million was borrowed from the third cycle for use in calendar years 1980 and 1981 as a bridging operation to augment the resources available to the second and third Country Programmes of Nepal, which straddle the second and third IPF cycles. The balance available from the second IPF for the period 1 July 1980 through 31 December 1981 is $14.07 million.

7. The illustrative IPF for the third cycle (1982-1986) was set by the UNDP Governing Council at $98 million. However, the Government was advised that 20 per cent of the illustrative IPF should be set aside for the present. The $5.5 million borrowed from the third IPF cycle has been deducted from the available third cycle IPF resources for the third Country Programme. The resources available for 1986, the final year of the third IPF cycle, have also been excluded. Accordingly, the total IPF resources available for the Programme period are $70.93 million. To this has been added a programming allowance of 20 per cent to ensure full implementation, making the total available for programming, as distinct from expenditure, $85.11 million.

8. As described in the Country Programme, it is anticipated that additional resources will be made available from a number of specialized funds administered by UNDP. These include the United Nations Capital Development Fund (UNCDF), the Special Measures Fund for the Least Developed Countries, the United Nations Special Fund for Land-Locked Developing Countries, the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), the Interim Fund for Science and Technology for Development as well as assistance from the Regional, Interregional and Global IPFs.

9. As shown in Table 2, significant assistance is also anticipated from Agencies in the United Nations system other than UNDP.

Table 1

Summary of available and anticipated UNDP resources
July 1980-December 1985

Resources taken into account for programming

	($000)
Resources available	
(a) IPF Resources	
(i) Second cycle IPF resources (July 1980-December 1981)	14 065[a/]
(ii) Third cycle IPF resources (January 1982-December 1985)	56 862[b/]
Total IPF resources	70 927
(b) Other resources managed by UNDP:	26 000[c/]
Provision for adequate programming (20 per cent of the total IPF resources)	14 185
Total resources taken into account for programming:	111 112

Table 2

Summary of available and anticipated resources from other United Nations Organizations July 1980-December 1985

	($000)
UNICEF	26 300*
UNFPA	26 500*
WFP	48 000
WHO	13 400*
FAO	2 000
Others[d/]	2 800
Total:	119 000

a/ This figure represents the balance between the 1977-1981 IPF after adjustments for over-expenditures from the first programming cycle ($29.96 million), and estimated expenditure for the period 1977-June 1980 ($21.4 million); a further adjustment of $5.5 million has been made to reflect authorized borrowing from the third cycle.

b/ This figure represents the third cycle IPF resources after setting aside 20 per cent of the illustrative IPF, and an amount of $16.03 million for 1986, and after making adjustment for borrowing from the third cycle.

c/ This figure represents all UNDP-managed resources known to be available for the period covered by the Country Programme, including cost sharing, the Special Measures Fund for Least Developed Countries, UNCDF, the Special Measures Fund for Land-Locked Developing Countries, the Interim Fund for Science and Technology for Development, UNRFNRE and multibilateral resources.

d/ Including the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), the United Nations Department of Technical Co-operation for Development (UNDTCD), the International Labour Organization (ILO), the United Nations Industrial Development Organization (UNIDO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC) and etc.

*/ This figure includes funds from the Regional Programme as well as multibilateral sources.

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IV. Content and Phasing of the Country Programme

10. The third Country Programme covers a five and one-half year period from July 1980 to December 1985 and coincides substantially with the Government's Sixth Five-Year Plan. The additional six months over and above the period of that Plan have been included for two reasons: first, to act as a bridging operation between the end of the Fifth and the beginning of the Sixth Five-Year Plan; and second, to facilitate the accounting of resources from UNDP and other Agencies in the United Nations system which are made available on a calendar year basis.

11. Perhaps the most notable feature of the Country Programme is the programming methodology on which it is based. The programming exercise established close and substantive linkages between the Sixth Five-Year Plan and the Country Programme, which was in turn co-ordinated with activities funded by other United Nations Agencies and the development banks. Other significant features of the Programme include the high priority given to: (a) pre-investment feasibility studies and investment support projects, particularly in the areas of agriculture, forestry and water resources, including irrigation and hydropower; (b) training and enhancement of the capacity and capabilities of national institutions; and (c) projects which directly and indirectly protect the environment.

Table 3

Sectoral distribution of projects and project proposals

Sector	Ongoing Projects		New Projects		Subsequent Programme		Total	
	Amount ($000)	per cent	Amount ($000)	per cent	Amount ($000)	per cent	Amount ($000)	per cent
Agriculture and Forestry	1 609	13	15 468	27	7 207	15	24 284	21
Health, Drinking Water Supply and Sanitation	35	-	3 955	7	10 997	24	14 987	13
Water Resources	5 749	46	14 035	24	10 650	23	30 434	26
Industry, Commerce and Tourism	1 835	15	4 814	8	3 978	8	10 627	9
Transport and Communications	597	5	5 853	10	850	2	7 300	6
Human Resources Development	315	2	11 293	19	6 365	14	17 973	15
Regional and Rural Development	909	7	130	-	6 500	14	7 539	6
Development Planning and Administration	1 463	12	2 934	5	200	-	4 597	4
Total:	12 512	100	58 482	100	46 747	100	117 741	100

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12. In keeping with methodology of continuous, annual programming, the Country Programme makes definite allocations only to "ongoing projects and new projects", i.e., those which have started or are to start during the period from 1 July 1980 to 30 December 1981. The subsequent Programme (1 January 1982 to 31 December 1985) constitutes a pool of project proposals from which, together with additional new project proposals which may be brought forward, a selection will be made at the annual reviews of the Country Programme in the light of the evolving development priorities of the Government and UNDP resources available at that time. This explains why the total amount shown in Table 3 exceeds the total amount of resources taken into account as shown in Table 1.

13. It is also intended to use the annual reviews of the Country Programmes as the principle mechanism of continuing the co-ordinated programming of the total resources of the United Nations system during the remainder of the Five-Year Plan.

Table 4

IPF ceilings January 1980-December 1985

Year	($000)
1980	6 965
1981	9 803
1982	13 122
1983	13 851
1984	14 560
1985	15 309
Total:	73 610

Table 5

Breakdown according to functions

	Primary		Secondary	
	($000)	per cent	($000)	per cent
Institution-building	32 600	27.69	53 438	45.38
Direct support, including investment-oriented projects	69 733	59.23	32 150	27.31
Direct training projects	7 568	6.43	32 153	27.31
Pilot projects	6 751	5.73	-	-
Special support projects	1 059	0.90	-	-
Relief projects	30	0.02	-	-
Total:	117 741	100	117 741	100

IV. Recommendation of the Administrator

14. In the light of the views expressed above, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP Country Programme for Nepal for the duration of its programme period within the limits of its illustrative Indicative Planning Figure for 1982-86, taking into account the balance of over-expenditure or under-expenditure of its 1977-81 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the Country Programme while ensuring in accordance with the decision of the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.

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